

EXHIBIT I

EXHIBIT B

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BUSINESS DAY

Deception and Ruses Fill the Toolkit of Investigators Used by Weinstein

By MATTHEW GOLDSTEIN and WILLIAM K. RASHBAUM NOV. 15, 2017

Earlier this month, a former hedge fund employee was flown from Hong Kong to London for a job interview. Around the same time, a current employee of the same Toronto hedge fund was also flown to London for interviews. The company courting them was fake. Its website was fake. There were no jobs to be had, and the woman who set up the interviews was not a recruiter but an agent working for an Israeli private investigative firm.

This was not an episode of “Homeland” or the latest “Mission: Impossible” installment. Interviews and court papers show that these deceptions were part of a sophisticated and expensive investigative operation. The objective, according to one filing, was to gather proprietary information held by the hedge fund. The agent worked for Black Cube.

Until 10 days ago, Black Cube, a private investigation firm established in 2010 by former intelligence analysts from the Israeli Defense Forces, was largely unknown in the United States. Many lawyers said they had never heard of the firm, which is not licensed in New York.

But Black Cube was thrust into the spotlight last week when The New Yorker revealed that the producer Harvey Weinstein had hired the firm to look into the background of the actress Rose McGowan, who was writing a book about her

experiences with him, including a claim that he had sexually assaulted her.

Law firms routinely use private investigators to collect information to help them argue civil and criminal cases in and out of court. These investigators sometimes use deception and elaborate ruses to root out secrets or private information. Black Cube's work for Mr. Weinstein, and the cinematic scenarios it created with its fabricated job interviews in London, provides a rare look at the lengths some firms will go to, using tradecraft that pushes the boundaries.

The contract under which Black Cube worked for Mr. Weinstein — signed in July by his lawyer David Boies — provided for deceptive techniques that included the hiring of “an investigative journalist” who was to conduct 40 interviews over four months as part of a scheme intended, in part, to block the publication of a New York Times article about Mr. Weinstein's decades of sexual misconduct.

The agent who approached Ms. McGowan, pretending to represent a woman's advocacy group, was Stella Penn Pechanac, the same woman who helped arrange the phony interviews in London. She was working for Black Cube, according to a person familiar with the company's operations.

She is also believed to have approached investors, analysts and financial journalists critical of the accounting practices of AmTrust, a big New York insurance company, last summer. For that operation, she used a different identity and said she worked for a fictitious London company.

In a court filing in Toronto on Wednesday as part of a legal dispute between two Canadian financial firms, an employee for West Face Capital, a hedge fund, described how she was recruited by a woman who identified herself as Maja Lazarov and said she worked for a London recruitment firm called Casear & Company.

The employee, Bei Huang, said she took an overnight flight from Toronto to London on an all-expenses-paid trip to meet with other representatives of Casear.

The meeting was planned at a restaurant with a man named Alexander

Korovin on Nov. 9, Ms. Huang said in the filing. But before it could occur, officials at West Face were alerted that it was a fake interview and a friend at the company told Ms. Huang it was a ruse. She went ahead with the meeting, but agents working for another private investigation firm, this one retained by West Face, were waiting to take photographs of the men she was meeting.

In effect, it became a case of spy vs. spy.

It is not clear who Black Cube was working for in that instance. In court filings, lawyers for West Face Capital suggest the client is Catalyst Capital, a large Canadian private equity firm, with which West Face has been embroiled in bitter litigation for several years over investment decisions. But the person familiar with the operations said Black Cube was not working for Catalyst.

A representative for Catalyst did not return repeated phone calls and email seeking comment.

Ms. Pechanac's identity became more widely known after The Daily Mail published a photograph of her last week. After it appeared, Ms. McGowan, West Face Capital and critics of AmTrust all identified her as the person who had approached them, according to court filings and interviews with some of those people.

"I talked to employees and those employees have looked at the picture of the woman in The Daily Mail and confirmed that is the same person they met with," said Philip Panet, general counsel for West Face Capital.

Ms. Pechanac has appeared in music videos in Israel and, despite her multiple undercover personas, has had her wedding photos published online by a bridal shop. She could not be reached for comment.

When asked about the approaches to West Face employees, Black Cube said in a statement that its policy was "to never discuss its clients with any third party, and to never confirm or deny any speculation made regarding the company's work."

Despite its work for Mr. Weinstein, the company said it “does not accept any work concerning family disputes or sexual harassment cases.” The firm, which has offices in London, Paris and Tel Aviv, said it would donate any profits from its work for Mr. Weinstein to groups that support victims of sexual harassment.

The New York Times and The New Yorker last month reported on a number of women, including Hollywood celebrities, who said they were either sexually harassed or assaulted by Mr. Weinstein. Through a spokeswoman, he has denied engaging in nonconsensual sex.

The firm said it “operates in full compliance with the law of any jurisdiction in which it operates” and “strictly following the guidance and legal opinions” of major law firms.

Black Cube said it worked with many law firms in the United States and helped lawyers gather evidence for complex legal cases. The firm said it mainly focused on commercial disputes, market manipulation and “uncovering of negative campaigns” against individuals and companies. The company also does some work for governments.

In New York and many other states, private investigators are required to be licensed and can be charged with a misdemeanor if they are not. In New York, there is no record of a license being issued to a firm under the name Black Cube or the firm’s corporate name, B.C. Strategy.

But state prosecutors in Manhattan said the law was rarely enforced and they could not remember filing charges against any unlicensed investigators.

Under the ethical guidelines of the New York State bar association, law firms hiring investigative firms are generally responsible for monitoring their actions. Black Cube’s work for Mr. Weinstein is now raising fresh questions about the role played by Mr. Boies, a prominent litigator who is well-known for arguing on behalf same-sex marriage before the Supreme Court in 2013.

Mr. Boies’s firm, Boies, Schiller & Flexner, executed the original contract

with Black Cube in October 2016, and Mr. Boies personally signed a renegotiated contract in July that explained more specifically what Black Cube was supposed to investigate.

That work became a point of contention between Mr. Boies and The New York Times last week because his firm had handled cases for The Times, and Black Cube's work was aimed at undermining its article on Mr. Weinstein. The Times fired Mr. Boies's firm and called its actions "reprehensible."

Mr. Boies acknowledged he had not closely monitored Black Cube's conduct and said it did not constitute a conflict with the legal work he did for The Times. He said he had not previously heard of Black Cube, but his firm confirmed it had worked with a client that had hired Black Cube on at least one other occasion.

In general, law firms are not supposed to work with unlicensed private investigators if they intend to use any information gleaned from the investigation in court filings and to pursue litigation. Lawyers are also required to closely monitor private investigators to make sure they do not break the law or engage in inappropriate deceptive behavior.

Mr. Boies said that was being done by other lawyers working for Mr. Weinstein, including Lisa Bloom, a familiar legal commentator on TV and a lawyer specializing in sexual harassment cases. But Ms. Bloom, who recently stopped representing Mr. Weinstein, said in an email that she was surprised by Mr. Boies's claims.

"They are false," she said.

This is not the first time that Black Cube actions have pushed the boundaries.

Two Black Cube employees were arrested last year on charges related to a campaign to intimidate Romania's anti-corruption chief, in part by using email phishing attacks aimed at capturing passwords and login credentials. The employees were convicted and given suspended sentences.

Black Cube's many deceptions have at times caused some confusion for its operatives. Brandon Moyse, a former West Face employee, said in an affidavit that he was suspicious of the woman he now knows was Ms. Pechanac but at the time had called herself Olivia Anderson. At a dinner, the woman had referred to the man who was with her as her husband, Victor. But in an email, she called him another name — Alexander.

"It seemed very unusual that Olivia would use an incorrect name for her husband," Mr. Moyse said in the affidavit. But he did come away with something: a \$200 bottle of scotch she had given him for his birthday.

Barry Meier contributed reporting from Berlin, and Irit Panzer from Jerusalem.

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